(c) to (e) Do not arise in view of the discontinuation of loaning acitivities.

Demand of India on farm sector at WTO meeting

2997. SHRI K. RAMA MOHANA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) what are the specific duties that India is going to demand on a farm sector in the forthcoming WTO meeting;

(b) what exactly is the meaning of Red Box, Blue Box, Amber Box and Green Box; and

(c) why India is allowed to put some of its things in Green Box?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) In the on-going negotiations on the World Trade Organisation (WTO) Agreement on Agriculture, the July 2004 Framework Agreement provides that the tariff reductions will be made by Members from the bound rates on the basis of a tiered formula. Special and differential treatment for developing countries, including through longer implementation periods, will be integral to all aspects of the market access pillar, and the Framework Agreement also provides that the tariff reduction commitments of developing Members will be proportionately lower than those of developed Members. The G-20, of which India is a member, has proposed straight linear cuts within each tier of the tariff reduction formula. The tiered formula and other aspects of tariff reductions are under negotiation. The negotiations are expected to conclude by December 2006.

(b) Under the WTO Agreement on Agriculture subsidies are generally identified by coloured "boxes": Amber (meant to be reduced), Blue (meant to limit production), Green (permitted). Though the Agreement has no Red Box, export subsidies exceeding the commitments specified in a Member's Schedule, and domestic support exceeding the reduction commitment levels in the Amber Box, are prohibited.

All domestic support measures that distort production and trade fall into the Amber Box, which is defined in Article 6 of the Agreement, and include measures to support prices, or subsidies directly related to production quantities. These Amber Box support measures are subject

to limits: *"de minimis"* minimal supports are allowed (up to 5% of total agricultural production for developed countries, and 10% for developing countries). Amber, Box expressed in terms of "Total Aggregate Measurement of Support", was required to be reduced by 20% for developed countries in 6 years (1995-2000) and by 13.33% for developing countries in 10 years (1995-2004) in equal annual instalments.

Any domestic support that would normally be in the Amber Box, is placed in the Blue Box if the support also requires farmers to limit production under Article 6.5 of the Agreement. At present there are no ceilings on spending on Blue Box subsidies.

The Green Box is defined in Annex 2 of the Agreement, and in order to qualify, Green Box subsidies must have either no, or at most minimal, trade-distorting effects or effects on production, and must be government funded. Green Box subsidies are allowed without limit also provided they meet policy-specific criteria set out in Annex 2, and include regional development and environment protection and direct income support programmes that are not targeted at particular products.

(c) India, like all WTO Members, is allowed to provide subsidies to its agricultural sector provided the government funded programmes meet the criteria set out in Annex 2 of the WTO Agreement on Agriculture and such subsidies are accounted for as those falling within the Green Box.

Surplus post in tea board as per SIU

2998. SHRI TARINI KANTA ROY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the Staff Inspection Unit of the Ministry of Finance has identified 354 posts as surplus in the Tea Board and has recommended abolition of 235 posts and gradual redeployment of the balance 119 posts;

(b) if so, whether there is any recommendation by the Tea Board in this regard; and

(c) what is Government's response to the issue?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) The Staff Inspection Unit